

June 12, 1998

Honorable Wendell H. Ford
United States Senate
Washington, D.C. 20510

Dear Senator:

This letter responds to your request for clarification of CBO's estimates of provisions relating to tobacco farmers in S. 1415, the National Tobacco Policy and Youth Smoking Reduction Act.

The manager's amendment to S. 1415 contains three sets of provisions relating to tobacco farmers assistance: Titles IV, X, and XV. Those titles are not consistent with each other. As we noted in our letter of May 21, 1998, Titles X and XV constitute "two separate and contradictory sets of instructions" about how the funds to be made available under Title IV for assistance to farmers would be used. Although we cannot predict how the Administration would interpret an act that contains these contradictory provisions, the May 21 estimate assumed that the amounts to be allocated under Title IV—about \$2 billion a year—would be "fully obligated and expended in that year." Our estimate of May 21 would still apply if S. 1415 were adopted without its inconsistencies being resolved.

To provide more information about S. 1415's farmer assistance provisions, however, CBO sent a letter to Senator Lugar on June 8, 1998, showing the costs for Titles X and XV as separate provisions. The figures in our letter of June 8 provide two illustrations of how the estimated cost of the bill might

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change if either Title X or Title XV were stricken from the bill and any inconsistencies with Title IV were resolved.

Sincerely,

June E. O'Neill
Director

cc: Honorable Richard G. Lugar
Chairman
Committee on Agriculture

Honorable Tom Harkin
Ranking Minority Member
Committee on Agriculture

Honorable John McCain
Chairman
Committee on Commerce, Science, and Transportation

Honorable Ernest F. Hollings
Ranking Democrat
Committee on Commerce, Science, and Transportation

Honorable Pete V. Domenici
Chairman
Committee on the Budget

Honorable Frank R. Lautenberg
Ranking Minority Member
Committee on the Budget